

By: Burton

S.B. No. 387

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the use of certain unspent bond proceeds and voter
3 approval of certain political subdivision actions, including the
4 issuance of certain bonds and the use of certain unspent bond
5 proceeds.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 52.072(e), Election Code, is amended to
8 read as follows:

9 (e) In addition to any other requirement imposed by law for
10 a proposition, including a provision prescribing the proposition
11 language, a proposition submitted to the voters by a political
12 subdivision for approval of the issuance of bonds or the
13 imposition, increase, or reduction of a tax shall specifically
14 state, as applicable:

15 (1) with respect to a proposition seeking voter
16 approval of the issuance of bonds:

17 (A) the total principal amount of the bonds to be
18 authorized, if approved; and

19 (B) each specific purpose [~~a general description~~
20 ~~of the purposes~~] for which the bonds are to be authorized, if
21 approved;

22 (2) with respect to a proposition that only seeks
23 voter approval of the imposition or increase of a tax, the amount of
24 or maximum tax rate of the tax or tax increase for which approval is

1 sought; or

2 (3) with respect to a proposition that only seeks
3 voter approval of the reduction of a tax, the amount of tax rate
4 reduction or the tax rate for which approval is sought.

5 SECTION 2. Subtitle C, Title 9, Government Code, is amended
6 by adding Chapter 1253 to read as follows:

7 CHAPTER 1253. USE OF BOND PROCEEDS BY POLITICAL SUBDIVISIONS FOR
8 OTHER PURPOSES

9 Sec. 1253.001. DEFINITION. In this chapter, "political
10 subdivision" means a county, municipality, school district, junior
11 college district, other special district, or other subdivision of
12 state government.

13 Sec. 1253.002. USE OF UNSPENT GENERAL OBLIGATION BOND
14 PROCEEDS. A political subdivision may use the unspent proceeds of
15 issued general obligation bonds only:

16 (1) for the specific purpose for which the bonds were
17 issued;

18 (2) to retire the bonds; or

19 (3) for a purpose other than the specific purpose for
20 which the bonds were issued if:

21 (A) the specific purpose is accomplished or
22 abandoned; and

23 (B) a majority of the votes cast in an election
24 held in the political subdivision approve the use of the proceeds
25 for the proposed purpose.

26 Sec. 1253.003. ELECTION PROCEDURES. (a) The election
27 order and the notice of election for an election authorized to be

1 held under Section 1253.002 must state the proposed purpose for
2 which the bond proceeds are to be used.

3 (b) A political subdivision must hold the election in the
4 same manner as an election to issue bonds in the political
5 subdivision.

6 SECTION 3. Chapter 1332, Government Code, is repealed.

7 SECTION 4. Section 52.072(e), Election Code, as amended by
8 this Act, applies only to an election ordered on or after the
9 effective date of this Act. An election ordered before the
10 effective date of this Act is governed by the law in effect when the
11 election was ordered.

12 SECTION 5. This Act takes effect January 1, 2018.